

AN ACT

RELATING TO PROPERTY TAXATION; IMPLEMENTING THE EXPANSION OF THE
DISABLED VETERAN EXEMPTION REQUIRED BY ARTICLE 8, SECTION 15 OF THE
CONSTITUTION OF NEW MEXICO; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-37-5.1 NMSA 1978 (being Laws 2000, Chapter 92,
Section 1 and Laws 2000, Chapter 94, Section 1) is amended to read:

"7-37-5.1. DISABLED VETERAN EXEMPTION.--

A. As used in this section:

(1) "disabled veteran" means an individual who:

(a) has been honorably discharged from membership in
the armed forces of the United States or has received a discharge certificate from a
branch of the armed forces of the United States for civilian service recognized
pursuant to federal law as service in the armed forces of the United States; and

(b) has been determined pursuant to federal law to
have a one hundred percent permanent and total service-connected disability; and

(2) "honorably discharged" means discharged from the armed
forces pursuant to a discharge other than a dishonorable or bad conduct discharge.

B. The property of a disabled veteran, including joint or community
property of the veteran and the veteran's spouse, is exempt from property taxation if it
is occupied by the disabled veteran as his principal place of residence. Property held
in a grantor trust established under Sections 671 through 677 of the Internal Revenue
Code of 1986, as those sections may be amended or renumbered, by a disabled

veteran or the veteran's surviving spouse is also exempt from property taxation if the property otherwise meets the requirements for exemption in this subsection or Subsection C of this section.

C. The property of the surviving spouse of a disabled veteran is exempt from property taxation if:

(1) the surviving spouse and the disabled veteran were married at the time of the disabled veteran's death;

(2) the property was exempt prior to the disabled veteran's death pursuant to Subsection B of this section; and

(3) the surviving spouse continues to occupy the property continuously after the disabled veteran's death as the spouse's principal place of residence.

D. The exemption provided by this section may be referred to as the "disabled veteran exemption".

E. The disabled veteran exemption shall be applied only if claimed and allowed in accordance with Section 7-38-17 NMSA 1978 and the rules of the department.

F. The New Mexico veterans' service commission shall assist the department and the county assessors in determining which veterans qualify for the disabled veteran exemption."

Section 2. APPLICABILITY.--The provisions of this act apply to the 2003 and subsequent property tax years.

Section 3. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.

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HB 71

Page 3